

Reference: III.D.03.02
Subject: Form instructions for smaller towns (under \$100,000)
Effective Date: 1-Apr-87
Revision Date: 1-Oct-05
Download as a pdf file. Need more information about downloading.

The financial reporting forms for smaller towns were designed to be as simple as possible but still provide the information necessary to accurately report the financial activity and condition of the town. These instructions are provided to assist you in preparing the required financial reports.

The report forms may be used by a town if neither revenues nor expenditures exceed \$100,000. This limit is applied to the total of all funds reported. Revenues, in this case, would include bond proceeds, etc.

The town must first determine the appropriate fund categories to use. Most smaller towns will use a general fund and often an enterprise fund, and perhaps a capital projects fund. Generally, the majority of revenue received by the town is property and sales taxes, which should be reported in a general fund. However, in many instances a town will have a utility (water, sewer, electricity, etc.) where the major revenue source is charges for services or user fees. The financial information for utilities should be reported in an enterprise fund.

Other fund types may be used as necessary. For example, the debt service fund is used to report the accumulation of funds for, and the payment of, general long-term debt principle and interest. Also, the capital projects fund is used to account for funds to be used for the purchase or construction of capital facilities. These funds should only be used where there is a general fund. Debt service and construction costs for an enterprise type activity should be reported in the enterprise fund.

All capital assets (land, buildings, machinery and equipment) related to the general fund and other governmental funds should be reported in the Capital Assets and Long Term Debt column. All capital assets related to an enterprise fund such as a utility should be reported in the enterprise fund.

All long-term debt related to the general fund and other governmental funds should also be reported in the Capital Assets and Long Term Debt column. As with capital assets, long-term debt related to an enterprise fund should be reported in the enterprise fund.

The cemetery perpetual care permanent fund (other governmental funds) is used by cemeteries to account for the assets and activity of a perpetual trust fund. In this case, use the general fund for operations financed from property taxes and the cemetery perpetual care permanent fund for reporting the assets and other transactions related to the perpetual care fund.

Following are line by line instructions for completing the financial reports.

[Download example form in Excel 5.0 format.](#)

BALANCE SHEET

GENERAL FUND

1. CASH: Put on this line all amounts in your checking account and/or savings account on the reporting date. The reporting date for towns is June 30.
2. INVESTMENTS: This line includes all amounts invested in securities including certificates of deposit, repurchase agreements, amounts invested in the Public Treasurers' Pool, etc.
3. RECEIVABLES: These are amount owed to the unit by other individuals or entities on the reporting date.
4. DUE FROM OTHER FUNDS: Amounts due from other town funds.
5. OTHER: Any other asset categories.
6. TOTAL ASSETS: This is the total of lines (1) thru (5). $[(1) + (2) + (3) + (4) + (5) = (6)]$
7. ACCOUNTS PAYABLE: These are amounts owed by the unit to other individuals or entities on the reporting date.
8. INTEREST PAYABLE: This line is for recording interest amounts owed by the general fund on debt other than long-term debt.
9. DUE TO OTHER FUNDS: Amounts due to other town funds.
10. NOTES AND BONDS PAYABLE: These lines may be used for any other liabilities.
11. TOTAL LIABILITIES: This is the total of lines (7) thru (10). $[(7) + (8) + (9) + (10) = (11)]$
12. RESERVED FOR CLASS "C" ROAD: Accumulation of Class "C" road funds unused at the end of the year.
13. OTHER RESERVED AMOUNTS: Use this line to identify any fund balance amount which is reserved for other specific purposes other than class "C" roads. Please identify the restriction.

14. UNRESERVED FUND BALANCE: These are the remaining uncommitted funds on the reporting date. Generally, this amount can be calculated by taking Total Assets minus Total Liabilities minus Reserved Amounts. [(6) - (11) - (12) - (13) = (14)]
15. TOTAL FUND BALANCE: This is the total of lines (12), (13), and (14). This line must equal the "ending fund balance/ retained earnings" line on the Statement of Revenues, Expenditures and Changes in Fund Balances for the same fund.
16. LIABILITIES & ENDING FUND BALANCE: This is the total of lines (11) and (15).

OTHER GOVERNMENTAL FUNDS
SPECIAL REVENUE, DEBT SERVICE, CAPITAL PROJECTS, PERMANENT

17. CASH: Put on this line all amounts in your checking account and/or savings account on the reporting date. The reporting date for towns is June 30.
18. INVESTMENTS: This line includes all amounts invested in securities including certificates of deposit, repurchase agreements, amounts invested in the Public Treasurers' Pool, etc.
19. RECEIVABLES: These are amounts owed to the unit by other individuals or entities on the reporting date.
20. DUE FROM OTHER FUNDS: Amounts due from other town funds.
21. OTHER: Any other asset categories.
22. TOTAL ASSETS: This is the total of lines (17) thru (21). [(17) + (18) + (19) + (20) + (21) = (22)]
23. ACCOUNTS PAYABLE: These are amounts owed by the unit to other individuals or entities on the reporting date.
24. INTEREST PAYABLE: This line is for recording interest amounts owed by governmental funds other than the general fund on debt other than long-term debt.
25. DUE TO OTHER FUNDS: Amounts due to other town funds.
26. NOTES AND BONDS PAYABLE: These lines may be used for any other liabilities.

27. TOTAL LIABILITIES: This is the total of lines (23) thru (26). [(23) + (24) + (25) + (26) = (27)]
28. RESERVED AMOUNTS: Use this line to identify any fund balance amounts which are reserved for specific purposes. Please identify the restriction.
29. UNRESERVED FUND BALANCE: These are the remaining uncommitted funds on the reporting date. Generally, this amount can be calculated by taking Total Assets minus Total Liabilities minus Reserved Amounts. [(22) - (27) - (28) = (29)]
30. TOTAL FUND BALANCE: This is the total of lines (22) and (23). This line must equal the "ending fund balance/ retained earnings" line on the Statement of Revenues, Expenditures and Changes in Fund Balances for the same fund [line (DD)].
31. LIABILITIES & ENDING FUND BALANCE: This is the total of lines (27) and (30).

CAPITAL ASSETS AND LONG-TERM DEBT OF THE GOVERNMENTAL FUNDS

32. LAND: Record on this line the value of all land owned by the town which is used for governmental fund purposes. (All land used for business type activities should be reported in the enterprise fund column.) Use historical records to determine its value at purchase. If such records are not available, use the best estimate of its value when it was purchased or deeded to the town.
33. BUILDINGS: Record on this line the value of all buildings owned by the town which are being used for governmental fund purposes. (All buildings used for business-type activities should be reported in the enterprise fund column.) Use historical records to determine its value at purchase. If such records are not available, use the best estimate of its value when it was purchased or deeded to the town.
34. IMPROVEMENTS OTHER THAN BUILDINGS: Record the value of improvements made to facilities which are not classified as buildings or equipment used for or owned by governmental funds net of depreciation.
35. EQUIPMENT: Record on this line the value of all equipment owned by the town which is used for governmental fund purposes. (All machinery and equipment use for business-type activities should be reported in the enterprise fund column.) Use historical records to determine its value at

purchase. If such records are not available, use the best estimate of its value when it was purchased or deeded to the town. This should be net of depreciation.

36. INFASTRUCTURE: Record on this line the value of long-lived capital assets that are normally stationary in nature and can be preserved for a significantly greater number of years than most capital assets. (ie. roads, bridges, tunnels, etc.) . (Although this information would be valuable and make the financial report more complete, smaller governmental entities are not required to go back and determine the value of infastructure already in place. In other words, smaller governments are encouraged but not required to report major general infrastructure assets retroactively.)
37. CONSTRUCTION IN PROGRESS: This line is used to record any assets of the governmental funds which are currently under construction but are not yet complete.
38. OTHER: The value of any other assets belonging to governmental funds not applicable to the categories listed above.
39. TOTAL ASSETS: This is the total of lines (32) thru (38). [(32) + (33) + (34) + (35) + (36) + (37) + (38) = (39)]
40. ACCOUNTS PAYABLE: These are amounts owed by the town to individuals or other entities as of June 30.
41. INTEREST PAYABLE: Record that value of interest due on long term debt obligations of the governmental funds.
42. NOTES AND BONDS PAYABLE: Record on this line any long-term debt used to finance governmental type assets or activities.
43. TOTAL LIABILITIES: This is the total of lines (40) thru (42). [(40) + (41) + (42) = (43)]

ENTERPRISE FUND

44. CASH: Put on this line all amounts in your enterprise fund checking account and/or savings account on the reporting date. The reporting date for towns is June 30.
45. INVESTMENTS: This line includes all amounts of the enterprise fund invested in securities including certificates of deposit, repurchase agreements, amounts invested in the Public Treasurers' Pool, etc.

46. RECEIVABLES: These are amounts owed to the enterprise fund by other individuals or entities on the reporting date.
47. DUE FROM OTHER FUNDS: Amounts due from other town funds.
48. LAND: Record on this line the value of all land owned by the town which is used for enterprise fund purposes. (All land used for governmental fund type purposes should be reported in the Capital Asset & Long-term Debt column.) Use historical records to determine its value at purchase. If such records are not available, use the best estimate of its value when it was purchased or deeded to the town.
49. BUILDINGS: Record on this line the value of all buildings owned by the town which are being used for enterprise fund purposes. (All buildings used for governmental fund type purposes should be reported in the Capital Asset and Long-term Debt column.) Use historical records to determine its value at purchase. If such records are not available, use the best estimate of its value when it was purchased or deeded to the town.
50. IMPROVEMENTS OTHER THAN BUILDINGS: Record the value of improvements made to enterprise fund facilities which are not classified as buildings or equipment used for or owned by the enterprise fund.
51. EQUIPMENT: Record on this line the value of all equipment owned by the town which is used for enterprise fund purposes. (All machinery and equipment use for governmental fund type purposes should be reported in the Capital Assets and Long-term Debt column.) Use historical records to determine its value at purchase. If such records are not available, use the best estimate of its value when it was purchased or deeded to the town.
52. INFRASTRUCTURE: Record on this line the value of long-lived capital assets that are normally stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets (ie. water and sewer systems etc.) belonging to the enterprise fund.
53. CONSTRUCTION IN PROGRESS: This line is used to record any assets of the enterprise fund which are currently under construction but are not yet complete.
54. OTHER: The value of any other assets belonging to the enterprise fund not applicable to the categories listed above.
55. TOTAL ASSETS: This is the total of lines (44) thru (54). [(44) + (45) + (46) + (47) + (48) + (49) + (50) + (51) + (52) + (53) + (54) = (55)]

56. ACCOUNTS PAYABLE: These are amounts owed by the enterprise fund to other individuals or entities on the reporting date.
57. INTEREST PAYABLE: This line is for recording amounts owed by the enterprise fund for interest on debt.
58. DUE TO OTHER FUNDS: Amounts due to other town funds.
59. NOTES AND BONDS PAYABLE: These lines may be used for any other liabilities.
60. TOTAL LIABILITIES: This is the total of lines (56) thru (59). [(56) + (57) + (58) + (59) = (60)]
61. RESERVED AMOUNTS: Use this line to identify any net asset amounts which are reserved for specific purposes. Please identify the restriction.
62. UNRESERVED NET ASSETS: These are the remaining uncommitted funds on the reporting date. Generally, this amount can be calculated by taking Total Assets minus Total Liabilities minus Reserved Amounts. [(55) - (60) - (61) = (62)]
63. TOTAL NET ASSETS: This is the total of lines (61) and (62).
64. TOTAL LIABILITIES AND NET ASSETS: This is the total of lines (60) + (63).

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ALL FUNDS

The same fund types should be used on the statement of revenues, expenditures, and changes in fund balances as on the balance sheet. Also, this statement requires both budget information and actual revenues and expenditures for most funds. The explanations given for each line apply for all funds and for budget amounts as well. Financial reports cannot be accepted without the budget information.

- (A) PROPERTY TAX: Report on this line all property taxes collected for the town by the county during the fiscal year. You may need to contact the county treasurer for assistance on determining the correct amount to put on this line. Generally accepted accounting principles for local governments require that any revenues collected by the county for you during the year must be recorded as revenue by the town even though the town may not receive that money until the new fiscal year.

EXAMPLES: ABC County collected property taxes of \$1,500 during June 2004 which belong to XYZ town. However, the County did not pay these funds to the town until August 15, 2004. These property taxes (\$1,500) should be included in the revenue for the fiscal year ended June 30, 2004 even though the money was not received until August of 2004.

- (B) SALES TAX: Report on this line the total amount received for sales tax as distributed by the State Tax Commission during the fiscal year.
- (C) OTHER TAXES: This line may be used for any other taxes received by the town.
- (D) LICENSES AND PERMITS: Amounts reported on this line include any amounts received by a town from the sale of licenses or permits to individuals or entities.
- (E) CHARGES FOR SERVICES: This line item is used to report all revenues received from charges for services including water or sewer services, etc., or user fees.
- (F) FINES AND FORFEITURES: This line may be used for any revenues received from fines imposed or from forfeitures of bail or other deposits.
- (G) FEDERAL GRANTS: All federal revenues should be reported on this line.
- (H) STATE-ALLOCATED ROAD FUNDS: All "C" road funds received from UDOT should be reported on this line.
- (I) STATE GRANTS: All grant revenues from state sources should be recorded on this line. You should be aware that often the funds received from state departments and agencies are actually federal funds and should be reported as such. If you are not sure whether the funds you have received are state or federal, contact the agency you received the funds from and ask them to identify them for you.
- (J) OTHER MISC: Any other revenues not described above should be recorded on this line with a description of the source of the revenue.
- (K) TOTAL REVENUE: This is the total of lines (A) through (J). $[(A) + (B) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) = (K)]$

(L) thru (W)

EXPENDITURES: Expenditures should be classified by function or department. If none of the specific categories seems to fit your type of town, then report your expenditures under general government and break

out the expenditures into salaries and benefits and other operating expenses.

- (X) TOTAL EXPENDITURES/EXPENSES: This is the total of lines (L) through (W). $[L + M + N + O + P + Q + R + S + T + U + V + W = X]$
- (Y) EXCESS OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES:
This is total revenues minus total expenditures. $[(K) - (X) = (Y)]$
- (Z) TRANSFERS FROM OTHER FUNDS: See "transfers to" below (AA).
- (AA) TRANSFERS TO OTHER FUNDS: These lines are used to record transfers between funds. The fund receiving the transferred money would report the receipt on line (Z). The fund transferring the money would report the transfer on line (AA). Amounts reported on line (AA) should be shown as negative amounts. Therefore, lines (Z) and (AA) should net to zero. These two lines cannot be used if the town has only one fund.
- (BB) EXCESS OF REVENUES AND TRANSFERS OVER (UNDER) EXPENDITURES / EXPENSES: This is the total of lines (Y) plus (Z) minus (AA). $[Equal to line (Y) if the town has only one fund.]$
- (CC) BEGINNING FUND BALANCE/NET ASSETS: This is the fund balance at the beginning of the fiscal year. It can be obtained from the previous year's balance sheet account "Total Fund Balance/Net Assets". [Line 15 for the general fund; line 30 for the special revenues, debt service capital project and permanent funds; line 63 for the enterprise fund (net assets).] For very small towns that have only a checking and/or savings account and no other assets or liabilities, it will be the balance in the checking and/or savings account on the first day of the fiscal year.
- (DD) ENDING FUND BALANCE/NET ASSETS: This line is the total of lines (BB) plus (CC). This line must equal the "Total Fund Equity" line for the same fund on the balance sheet. [Line 15 for the general fund; line 30 for the special revenue, debt service, capital project and permanent funds; line 63 for the enterprise fund (retained earnings).]

[Download example form in Excel 5.0 format](#)